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SECRET

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SECRET

FAR EAST

CHINA

Further Redeployment of Communist Troops. (SECRET) — Communist units, totaling approximately 46,000 men, have been moved from the Chungking area to Chen Chiang*(1), east of Nanking, according to an unconfirmed report.

Although the designation of the units involved in the move is obscure, it is believed that the troops may be part of Liu Po-ch'eng's Second Field Army, which possibly has been redeployed into the Nanking-Shanghai area as "covering" for units of the Third Field Army under Chen Yi, destined to participate in the Taiwan invasion.

If this reasoning is correct, it would add support to the belief that the Communists' invasion attempt on Taiwan is near at hand. It is believed that Liu's troops will not take part in the invasion, as they have had no experience or training in amphibious operations.

Chen Yi, on the other hand, has long been mentioned as the probable commander of the invasion, and his troops have been undergoing intensive amphibious training for several months.

If Liu's troops are to take over security duties in the area, it would indicate that Chen Yi's troops have completed their preparations for the invasion, as it is unlikely that such a redeployment of "cover" troops would take place prior to their actual need.

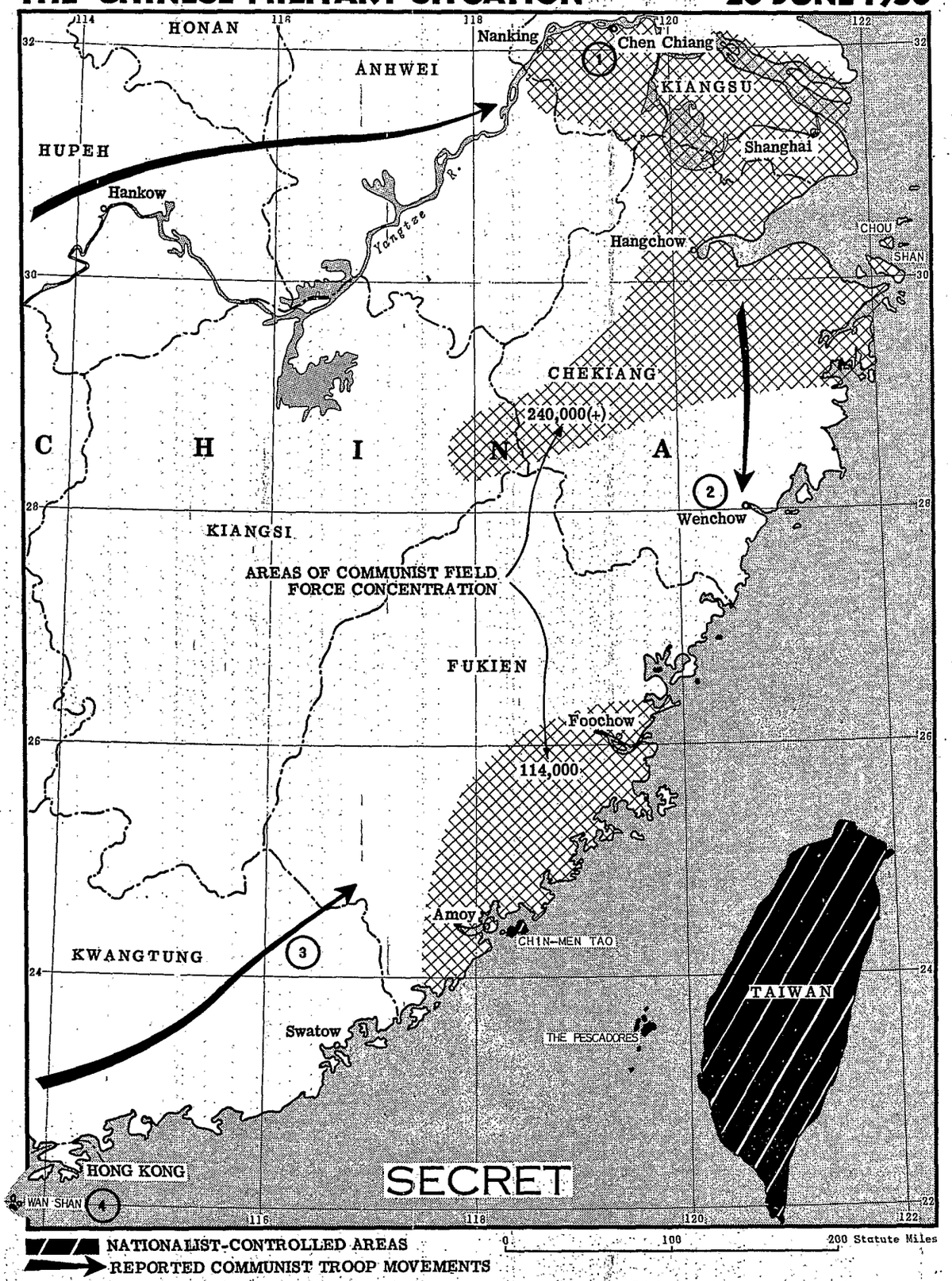
Meanwhile, other reports indicate that the Twenty-fifth Army, part of Chen Yi's Third Field Army, has been moved from the Wu Hsi area southward to the Wenchow (2) area, where it is undergoing further amphibious training. This move places the unit nearer the supposed jump-off area opposite Taiwan and may be followed by a gradual displacement southward of other units now reported as grouped opposite Chou Shan.

Considerable troop movement is reported in South China. No pattern is discernible, however, and most of the activity is confined to the general areas of present disposition. However, one unit of Lin Piao's forces (composition unknown but reportedly composed of armored and artillery elements) reportedly moved to Fukien(3) early in May.

Reports from Hong Kong indicate that the Nationalist Navy is retaining control over the situation in the Wan Shan Island(4) area, invaded by the Communists on 25 May**. It appears that most of the original Communist occupation force has withdrawn because of lack of supply, but that the Communist forces are preparing for another assault, probably in much greater strength.

* See accompanying map.
** See WIR No. 66, page 15.

THE CHINESE MILITARY SITUATION 20 JUNE 1950



Although the Communists can have the islands simply by going ashore, their occupation is useless so long as the Nationalist Navy controls the adjacent waters. The Nationalist Navy's control also will prevent any major redeployment by water of Communist troops attempting to move from Canton to the marshalling area opposite Taiwan.